

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

"Assisting Horsemen in Need"



August 30, 2012

Harold Coburn
Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

KEN SMOLE
President

DAVID NAFTZGER
Vice President

MARY FORNEY
Secretary

Board of Directors
ROBERT BEAN
MARY FORNEY
JOHN GARCIA
RICHARD GUTH, M.D.
JORGE GUTIERREZ
ED HALPERN
DAVID NAFTZGER
GEORGE NICHOLAW
KEN SMOLE

In Memoriam
NOBLE THREEWITT

Director Emeritus
LEONARD DORFMAN

KEVIN BOLLING
Executive Director

ROBERT FORGNONE
Counsel

Dear Harold Coburn and the CHRB members,

In response to the request for specific comments on the Rules for Exchange Wagering, the Board of Directors of the California Thoroughbred Horsemen's Foundation requests the following language be an addition to Article 27, CHRB Rule 2092, Distribution of Exchange Revenues:

Each exchange wagering licensee shall distribute, on an annual basis, an amount equal to the greater of (A) one hundred thousand dollars (\$100,000), or (B) an amount equal to 0.0025 multiplied by the total amount of exchange revenues collected by the exchange wagering licensee in that calendar year. The distribution shall be made to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law. This paragraph shall become inoperative on January 1, 2021, and, as of that date, is repealed, unless a later enacted statute that is enacted before January 1, 2021, deletes or extends that date.

The suggested addition to Rule 2092 closely mirrors the language for distribution of funds through exchange wagering for the welfare of disabled jockeys in California Business and Professions Code Section 19604.5. With close to 300 licensed Jockeys, fortunately only a small number are disabled. However, CTHF is the only welfare and health care organization for the nearly 5,000 licensed backstretch workers and their family members.

The majority of CTHF's income is derived from unclaimed pari-mutuel pool distribution – funds to CTHF have equaled approximately .25 percent of on-track handle over the past 7 years. While the potential impact of exchange wagering on pari-mutuel pools (and unclaimed tickets) is unknown, the implementation of exchange wagering poses great concern for CTHF.

Exchange wagering may prove to provide an increase in total handle, but it also has the potential to redirect monies from the pari-mutuel pools.

The health and welfare of the backstretch workers are in the best interest of the horse racing industry. The California Horse Racing Board and racing industry have long understood it to be their fundamental responsibility to ensure the provision of health care services to the backstretch community.

Again, we request the addition of the language to Rule 2092 for the distribution of funds through exchange wagering for backstretch welfare be adopted to provide critical funding to ensure CTHF is able to fulfill its mission of providing health care to the backstretch community.

From the Board of Directors
California Thoroughbred Horseman's Foundation

cc: California Horse Racing Board of Directors
Lou Raffetto, TOC
Alan Balch, CTT
Darrell Haire, Jockeys' Guild
George Haines, Santa Anita
Jack Liebau, Betfair Hollywood Park
Joe Harper, Del Mar
Peter Tunney, Golden Gate Fields
Christopher Korby, CARF
Jim Henwood, Pomona
Barry Board